GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1487
ANSWERED ON:01.08.2000
COST OF COAL
MOHAMMED SHAHABUDDIN

Will the Minister of COAL be pleased to state:

(a) whether the imported coal is cheaper than the indigenous coal; and

(b) if so, the present rate of indigenous and imported coal in various States?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a): The cost of imported coal at the ports is, per se, more than the pit-head price of indigenous coal. However, the delivered price of indigenous coal upon transportation by rail over long distances becomes costlier than imported coal on per therm basis, mainly on account of the following factors:-

i) The indigenous coal is inherently of low heat value as compared to the imported coal.

ii) The indigenous coal by virtue of location of coalfields in the central and eastern parts of India requires transportation by rail over long distances and the railway freight rates for coal are substantially high.

iii) The imported coal is not subjected to royalty, sales tax and excise duty. The indigenous coal produced from the coal mines located in West Bengal is also subjected to the cesses levied by the Government of West Bengal.

(b): Coking and non-coking coal and different types of cokes, briquettes and anthracites in varying quantities are imported in the country by consumers, traders and importers under the import policy. The details of price and payment terms of coal imported from various countries through Indian ports and transported to destinations in littoral and hinterland states, are not available. The indigenous coal is sold on F.O.R (Free on Rail) colliery basis. The latest averagepithead price of indigenous coal produced from the collieries of Coal India Limited is Rs. 601.43per tonne. However, the final rates or consumer prices of the indigenous coal transported to destinations in different states are determined by the railway freight and other incidental expenses borne by the consumers and users.